

Amendment Two to Contract No. 229944 for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System

This Amendment Two to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this day of April 19, 2004, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Recitals

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. In addition to depositing certain intellectual property materials into escrow, the Contract requires the Contractor to provide the escrow firm and such other Agency employee or Agency Consultant reasonable access to its Clearinghouse facilities in Concord, California, including access to computer software systems, and technical and support personnel to allow the escrow agent to conduct verification processes on the escrowed items.
- C. The Contractor desires to enter into this Amendment Two to change the location of the verification process from the Contractor's Clearinghouse facilities in Concord, California, to the Contractor's facilities in Perth, Australia,

and the Agencies are agreeable to said change subject to the terms and conditions set forth herein.

Agreement

NOW THEREFORE, in consideration of the mutual covenants contained herein and in the Contract, the sufficiency of which is hereby acknowledged, each Agency and the Contractor hereby agrees to amend the Contract as follows:

Section 1.0

Exhibit 10, Section 5.3, of the Contract is hereby amended to read as follows:

5.3 The Contractor shall notify the Contract Administrator simultaneously with delivering a deposit to the escrow firm. Unless the Contract Administrator directs otherwise, the manner of delivery shall be within the discretion of the Contractor but a delivery shall not be effective until the escrow firm confirms that it has received all Escrowed Items on the list and until the escrow firm and such other Agency employee or Agency Consultant has successfully completed the verification process prescribed by the Agencies in accordance with Section 6. For any deposit, the Contract Administrator may require that the Contractor deliver the Escrowed Items to representatives of the escrow firm and an Agency employee or Agency Consultant at the Contractor's facilities in Perth, Australia, and provide said representatives reasonable access to its facilities, computer software systems, and technical and support personnel to conduct the verification process.

Section 2.0

Exhibit 10, Section 6, of the Contract is hereby amended to read as follows:

6.0 Verification

The Agencies may, at their sole discretion, but no more than two times in any one year period, retain the escrow firm to conduct a verification process on Escrowed Items presented for deposit by the Contractor for the purpose of verifying their accuracy, completeness, sufficiency and quality. Contractor shall reasonably cooperate with the escrow firm and such other Agency employee or Agency Consultant as may accompany the escrow firm by providing at its facilities in Perth, Australia, computer software systems, and technical and support personnel for verification whenever reasonably necessary. The Agencies may also, at their sole discretion, direct the escrow firm to conduct a verification process on Escrowed Items elsewhere than at ERG's facilities in Perth, Australia. Provided, however, if verification processes are performed elsewhere than Perth, Australia, then ERG shall not be required to supply any facilities, computer software systems (other than Escrowed Items), hardware or

technical or support personnel for such verification. If a verification is elected after the Escrowed Items have been delivered to the escrow firm, then only the escrow firm may perform the verification. Provided, however, any Agency employee or Agency Consultant that is present for the verification shall not be provided a copy of the Escrowed Items.

Section 3.0

Exhibit 10, Section 7, of the Contract is hereby amended to read as follows:

7.0 Fees

7.1 Except as provided in Section 7.2 below, the Agencies shall be responsible for paying the fees for escrow and verification services.

7.2 ERG shall reimburse the Agencies for the additional costs (in U.S. dollars) incurred by the Agencies in conducting the verification processes at ERG's facilities in Perth, Australia, as compared to the costs that would have been incurred had such processes been conducted at ERG's Clearinghouse facilities in Concord, California. Said reimbursement shall be limited to the following additional costs (not to exceed \$5,000 in total annually) arising from the participation of both the escrow firm and an Agency employee or Agency Consultant in the conducting of the verification processes: airfare; hourly rate costs charged by the escrow firm for travel; meals and lodging. Although the Agencies may direct the conducting of verification processes up to twice per year, the Contractor shall only be required to reimburse the Agencies for such additional costs once per year.

Section 4.0

All other provisions of the Contract not referenced in this Amendment Two shall remain in effect.

IN WITNESS WHEREOF, authorized representatives of the Agencies and the Contractor have signed their names in the spaces provided below.

**Central Puget Sound Regional Transit
Authority
("Sound Transit")**


Joni Earl, Chief Executive Officer

**Snohomish County Public
Transportation Benefit Area**

Joyce F. Olson, Chief Executive Officer

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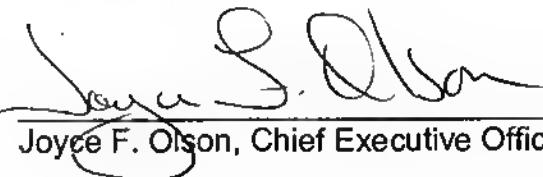
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King County



Darwin Campbell,
Acting Transit General Manager

**Pierce County Public Transportation
Benefit Area**

Don S. Monroe, Chief Executive Officer

**Washington State Ferries, Washington
State Department of Transportation**

Mike Thorne
Director, Chief Executive Officer

ERG Transit Systems (USA) Inc.

By: _____

Mike C. Nash
Regional Managing Director

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Benefit Area**

Richard M. Hayes, Executive Director

City of Everett

Ray Stephanson, Mayor,
or by his designee Paul J. Kaftanski,
Director of Transportation Services

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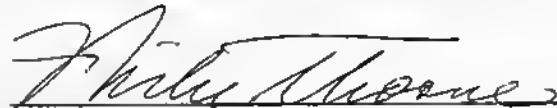
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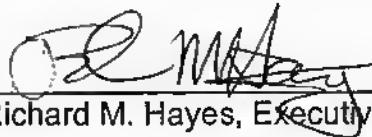
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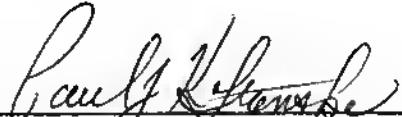
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